

# \$1,000,000 in Assets Turned Over by Ponzi

Amount Held by Receivers Stands Against Debts Estimated at \$7,500,000 by Federal Accountant

## Wizard Shows Irritation

Resents Question Whether He Told the Truth to the U. S. Attorney General

BOSTON, Aug. 21.—Charles Ponzi turned over to Federal receivers today part of what remains from the millions of dollars which he received from investors in his discredited financial operations and went on the witness stand to tell about the rest. Little had been elicited as to his assets, however, when the receiver's hearing was adjourned until Tuesday next.

Ponzi showed irritation when counsel for the receivers asked whether he had told the truth when he informed Attorney General U. Weston Allen, of Massachusetts, that he had between \$5,000,000 and \$8,000,000 in cash. For a time the hearing was stormy, the receivers charging that Ponzi was trying to deceive them and Ponzi's counsel retorting with the assertion that their client was being browbeaten.

The checks and securities which Ponzi handed over to the receivers, as announced in the courtroom today, did not greatly exceed \$1,000,000. Edwin L. Pride, the accountant who has been conducting an audit for the Federal authorities, against estimated Ponzi's liabilities at \$7,500,000. Ponzi said he had additional assets, but did not indicate their amount.

### Notes Paid From Receipts

The only business of which Pride could find any trace, the auditor testified, was the issuing of notes for the amount of the investment, plus 50 per cent, and the payment of early notes by the receipts from later ones. There was nothing in Ponzi's books, he said, to indicate any business in international postal reply coupons, such as Ponzi claimed to be the basis of tremendous profits.

Ponzi began his testimony with a statement that he was ready to make full disclosures in order that the receivers might proceed with their business of bringing together his assets for the benefit of his creditors. He had been carried through minor questions when Robert G. Dodge, counsel for the receivers, raised the question of the truthfulness of his statements to the Attorney General. Ponzi's reply with some heat that the present hearing was concerned with assets, not his statements to the Attorney General. Unless questions were confined to the assets, he said, he would assist the receivers no further.

Daniel V. McLaughlin, counsel for Ponzi, supported his client's objections. "If the receivers will be fair we intend to help them in every way; but this examination does not point that way," he declared.

### Attorneys Get \$25,000 Each

It was brought out that McLaughlin and Daniel H. Conkley, of Ponzi's counsel, had received fees of \$25,000 each. McLaughlin explained that the Hanover Trust company, in which Ponzi kept his principal account, had paid these sums on authorization from Ponzi.

Ponzi's replies to questions by counsel for the receivers indicated ignorance of certain holdings not previously of record by the receivers, among them 1,000 shares of the Hanover Trust company, the bank which collapsed when his business went to the wall. Among other payments which he had made recently he mentioned \$55,000 in settlement of the claim of Joseph Daniels, a furniture dealer, who, because he lent Ponzi \$200 at the outset of his career, sued him for \$1,000,000 as a partner's share.

Ponzi said he was certain that he had paid out to holders of certificates or surrendered notes an aggregate of \$7,500,000 after his conference with state and Federal authorities on July 26 and before payments were stopped two weeks later.

After Auditor Pride had finished his testimony the sessions were continued until next Tuesday, with a request by the receivers that Ponzi and Pride get together so that Ponzi might refresh his memory on business details from books taken from his office.

### Overdraft Fixed at \$441,779

The early examination bore on details ranging from certificates of deposit of a million or more to checks for \$1 and \$3.00, in settlement of his balances at certain banks. Robert G. Dodge, counsel for the receivers, produced a sheaf of checks which he said had been given the receivers by Mr. McLaughlin as a partial surrender to them of Ponzi's property. Among them were two certificates of deposit on the Hanover Trust company of Boston, now closed because of impairment of its finances by Ponzi's operations, for \$500,000 each, and another for \$38,221. Ponzi was asked what relation these had to a certificate for \$1,500,000 which he had shown around town a month ago. He explained they represented the balance of the later certificates, deductions from which were made because he had overdrawn other accounts at the bank. The extent of his overdraw, he said, was the difference between the sum of the three certificates produced and that for \$1,500,000—\$441,779. It was this discovery that Ponzi had overdrawn an account at the Hanover Trust company that caused Bank Commissioner Joseph C. Allen to order the bank to stop payment on his checks, the first definite step preceding the collapse of his operations.

When Counsel Dodge asked Ponzi if he had stated that he had 1,000,000 lira in a company doing business between New York and Italy, Edwin H. Abbott Jr., assistant to Attorney General Allen, whispered something in Mr. Dodge's ear. Ponzi observed the incident and instead of answering the question made a remark in a tone so low that it was almost inaudible. But Receiver Thurston heard it and voiced his objection to it, declaring: "This man represents the Attorney General. I will not have him insulted."

Ponzi asserted that "If I were not where I am I would have some remarks to make, all right," and a moment later left the stand with the statement that Miss Meli and others of his office force knew something about his business and could help out the receivers.

### Tide Traps 12 Children

BOMBAY, Aug. 21.—Twelve school children were drowned at Mahim, fifty miles north of here, yesterday, while at a picnic under the direction of an American mission. The children waded out to a sandbank and were caught by the tide.

## State Orders Audit Of Burrell Books

Scrutiny of Treasurer's Accounts To Be Completed Within a Week

BOSTON, Aug. 21.—Governor Coolidge and members of the financial committee of the executive council, at a special meeting today authorized State Auditor Alonzo B. Cook to make an audit of the books of State Treasurer Fred J. Burrell. Mr. Cook said this was equivalent to a complete investigation of the treasurer's office.

Auditor Cook said he would set about the audit immediately and expected to finish the work within a week.

The section of the revised laws quoted in the letter to Mr. Cook ordering the audit provides that annually in August the Governor shall appoint a committee of the council, which shall examine the value of the notes and securities in charge of the treasurer.

When told that an examination of his books had been ordered, Mr. Burrell said: "I am glad of it. It will open up the truth. It will show that as state treasurer I have conducted the state's business in an honorable and efficient manner."

The treasurer added that he had sent a request to the Republican State Committee asking that he be permitted to be present at a special meeting of the committee which has been called for next Monday "to take action on the state Treasurer situation."

Criticism has been directed against the treasurer because of his connection with an advertising agency which has handled the advertising business of some of the banks in which state funds are deposited. Among these banks was the Hanover Trust company, which closed its doors as a result of the Ponzi fiasco.

### James Wilson No Better

TRAER, Iowa, Aug. 21.—No change was noted today in the condition of James Wilson, former Secretary of Agriculture, who is critically ill at his home here.

## 29 Are Missing After Collision Of Lake Boats

Four of Freighter's Crew Saved When Vessel Is Rammed by Steamer Off the Coast of Michigan

## Entire Stern Torn Away

One Captain Says the Night Was Clear, Other Denies It; Woman Believed Lost

SAULT STE. MARIE, Mich., Aug. 21.—The lives of twenty-nine persons, one of them a woman, are believed to have been lost shortly after 9 o'clock last night, when the steamer Superior City, a freighter, sank four and a half miles northeast of Whitefish Point, in Lake Superior, after colliding with the steamer Willis L. King.

Four members of the crew, including Captain Edward Sawyers, of Albion, Mich., were saved. The missing woman is the wife of the second engineer. Captain Sawyers would make no statement, except that the night was clear, no fog being in evidence.

Walter Richter, boatswain, one of the survivors and who was brought here by the steamer Turner, is in a hospital, seriously injured. "The captain's alarm signal rang just two minutes before the crash," said Richter. "If we had had two minutes more no lives would have been lost. The King struck us just aft of amidships on the port side, and the impact took away the entire stern. The crew kept their heads, and all waited calmly for the boats to be launched, but there was no time. Several of the boats were torn away while the men were attempting to launch them."

"A boat I was attempting to launch was thrown overboard, carrying me with it."

Richter reached a floating hatch cover, and later was rescued by the Turner. Richter's home is in Lorain, Ohio.

Other survivors were Gal Lehne, of Chicago, second mate, and Peter Jacob-

son, of Cleveland, wheelman. These two, with the captain, were brought here this morning.

In the belief that some of the missing members of the crew may be clinging to floating wreckage, a tug and life-rafters and coast guard men are patrolling the lake in the vicinity of the disaster. Despite the statement of Captain Sawyers of the Superior City that the night was clear, Captain Herman Nelson and members of the crew of the Willis L. King declared today a heavy fog hung over the lake at the time of the accident. They arrived here today on their vessel.

## Escapes Jail 11 Times Only To Be Caught Again

Continuous Fugitive, Accused of Many Robberies, Is Captured in Newark

William Cymansky, twenty-five years old, escaped from prison eleven times. For the twelfth time he was in the hands of the police of Newark yesterday. He was arrested by detectives who say they found in his possession a revolver, a jimmy and a flashlight.

Cymansky was committed to the City Home for Boys when he was eleven years old on a charge of larceny and escaping from that institution three times. In 1910 he was sent to the State Home for Boys at Jamestown. He escaped three times. He was sent to the State Reformatory at Rahway in 1912 for sixteen months, but soon gained his freedom. In 1913 he was again sent to Rahway on a charge of burglary. In 1916 he was arrested for burglary and sentenced to serve eighteen months in the Essex County Penitentiary. While in jail awaiting transfer to the penitentiary he escaped and robbed the postoffice at Oak Ridge. Cymansky was captured and sentenced to two years in the Atlanta Prison. Before he was taken there he escaped jail on May 18, 1918.

Soon before Christmas, 1918, Cymansky was again arrested for larceny and sentenced to State's Prison for four years. He was transferred to the State Hospital for the Insane on December 31, 1919, where he remained until last May, when he escaped. A few days later Cymansky was caught. He was being taken in an automobile to Police Headquarters by three detectives when he leaped from the car and fled.

When arrested yesterday Cymansky told the police he shipped as a fireman on a boat bound for Holland and that he returned only a few days ago.

# B. Altman & Co.

MADISON AVENUE-FIFTH AVENUE, NEW YORK  
Thirty-fourth Street TELEPHONE 7000 MURRAY HILL Thirty-fifth Street

## AUTUMN FASHIONS for Women, Misses and the Younger Set

In anticipation of the opening of the Autumn season new shipments of Gowns, Suits, Wraps, Coats, Furs and Hats are constantly being received from the leading designers of America and Europe.

While there is a wonderful showing of rich garments for ceremonious occasions of dress, the less elaborate models for first wear in town are also well represented

For Monday

The Art Needlecraft Dep't will have on Special Sale a new purchase of Stamped Nainsook Undergarments

completely made up, ready for embroidery, at prices that, considering the quality, are uncommonly low.

Nightrobes . . . . . at \$1.95  
Envelope Chemises, at 75c. & 1.35  
Corset Covers . . . . . at 40c. & 75c

### Zephyr Wool

in a limited number of colorings, will be on sale . . . . . at 16c. per skein

(Fourth Floor)

For Monday

### Woolen Fabrics

in Lengths appropriate for Dresses, Coats and Skirts

marked at prices that will stimulate buying with a view to Autumn needs

Included in the assortment are plaids, imported chevrons and mixtures, homespun, velours de laine, wool jerseys, and striped and checked suitings. The colors offer a wide range for selection.

(First Floor)

### Fine Fur Garments

all made of selected skins and in undeniably authentic models (some imported) are now marked at remarkably low prices.

### Fur Neckpieces and Muffs

including Sables and Silver Foxes have also been marked at large concessions from regular prices.

Fur Department, Third Floor (Madison Avenue section)

## The August Sale of Oriental Rugs

is nearing its conclusion but still offers many splendid purchasing opportunities in small, medium and room-size rugs

(Fifth Floor)

For Monday

Women's Silk Undergarments (American-made)

will be further reduced in prices (due to the sizes not being complete in all styles). The garments to be offered are the remainder of several special assortments and in every way desirable.

The principal selections consist of

Camisoles, at . . . \$1.65, 1.90, 2.35  
Envelope Chemises . . . . . at 3.90  
Athletic Combinations . . . . . at 4.65

There are also Silk Nightrobes, Drawers and Sacques, at unusual price reductions.

(Second Floor)

For Monday

Fifteen Hundred Dozen Irish Linen Handkerchiefs for Men and Women

At the prices quoted the replenishing of the Summer supply will be a decided economy.

Men's All-linen Handkerchiefs

Plain, hemstitched, per dozen . . . . . \$4.50 & 6.50

Women's All-linen Handkerchiefs

Plain, hemstitched, per dozen . . . . . \$2.50 & 4.50

Tape-bordered . . . . . per dozen 3.50

Initialed or embroidered per dozen . . . . . \$3.00

Also

Women's Sheer Lawn Handkerchiefs

Initialed . . . . . per dozen \$2.35 (First Floor)

STORE OPEN 9 A. M. to 5 P. M.

# HEARN

Fourteenth Street

West of Fifth Avenue

## AUGUST SALE OF

# Furs

Make your fur selection now while August Sale prices prevail. You will greatly benefit by the tremendous savings in quality furs richly designed in Fashion's latest authoritative modes.



Beaver Coats (illustrated A) may be worn belted or ripple back belted front—handsomely lined.

## 550.00

our reg. \$750.00.

Hudson Seal Wrap (illustrated B) at same price.

Skunk Cape (illustrated C), shawl collar—

## 275.00

our reg. \$350.00.



Skunk Open Animal Scarf

## 72.50

Our reg. \$95.00

Matching Muff

## 45.00

Our reg. \$65.00

Fox Scarfs

Crepe de chine lined—

## 64.50

Our reg. \$89.00



Shawl Collar of Beaver

## 105.00

Our reg. \$145.00

Matching Muff

## 42.50

Our reg. \$65.00

All furs in stock reduced for August. Furs purchased now will be held in storage for delivery later.

See page 24 for August Sale and Clearance advt.